



House of Representatives

General Assembly

File No. 312

January Session, 2001

Substitute House Bill No. 6789

House of Representatives, April 17, 2001

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REVENUES FROM USE OF TELEPHONES BY PRISON INMATES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) In any contract entered into by the state on and
2 after the effective date of this act for telephone services to be provided
3 to inmates housed in any facility under the control of the
4 Commissioner of Correction, there shall be no provision for the state to
5 realize any commission or other financial gain from the use of
6 telephone services by such inmates. Said commissioner shall include
7 the cost to the inmates and their families as an explicit factor in the
8 criteria in the request for proposals for such contract. In determining
9 which contract bid is the most advantageous to the state, said
10 commissioner shall give a preference for lower cost to the inmates and
11 their families.

12 (b) The Commissioner of Correction shall provide for, and such

13 contract shall include provisions for, an option to be made available to
14 inmates, in lieu of collect calls, for payment of telephone service by use
15 of a debit account system or other similar system under which funds
16 may be deposited into an inmate's account in order to pay for station-
17 to-station telephone service for such inmate. Said commissioner shall
18 give notice of such option, or provide for notice to be given, to the
19 inmates and their families. Such debit account system shall be ready
20 for use in all facilities under the control of said commissioner not later
21 than one year after the effective date of this act.

22 Sec. 2. This act shall take effect from its passage.

FIN JOINT FAVORABLE SUBST.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: Revenue Loss (Technical Services Revolving Fund), Minimal Cost, and Indeterminate Cost

Affected Agencies: Department of Information Technology, Department of Correction, Various State Agencies

Municipal Impact: None

Explanation**State Impact:**

This bill would result in a revenue loss to the state's Technical Services Revolving Fund of about \$7 million per year beginning sometime between October 2001 and October 2002, and in minimal additional costs to the Department of Correction (DOC) that could be absorbed within existing resources. It could also result in additional costs to various state agencies that cannot be determined at this time.

The bill prohibits the state from realizing any commission or financial gain from the use of telephone services by inmates. The state's commission from inmate pay telephone usage is currently 45% of the carrier's profits, which results in state revenues of about \$7 million per year, and is deposited in the Technical Services Revolving Fund in the Department of Information Technology (DOIT). This fund is a non-appropriated Internal Service Fund, which receives most of its

moneys from charges made to state agencies that utilize the department's information technology (IT) and computer services. The fund is used to support the State Data Center, to obtain IT services through private vendors through master contracts, and to operate and manage the centralization of executive branch IT personnel and systems. These moneys are used to offset the costs of information technology services provided to state agencies by DOIT. Loss of this revenue would result in increased charges to the agencies that utilize DOIT's IT services. The amount of the increase cannot be determined at this time and would vary agency by agency.

The new pay telephone contract could take effect as early as October 2001 and as late as October 2002. The reason for the uncertainty is the necessity of maintaining a secure operating inmate telephone system during a change in vendors. If a new vendor is awarded the contract, it will take some time for them to transfer operations. They would accomplish this one facility at a time, and there are 20 correctional facilities.

The bill also requires the commissioner of DOC to make a debit account system option available to inmates within one year from the effective date of this act (which is upon passage). The commissioner is also required to notify inmates and their families of the debit account system.

The 20 correctional facilities operated by the department have an inmate population of 17,500. Telephone services are currently provided to DOC by MCI Telecommunications' Maximum Security Solution System, which includes call-control mechanisms, call-monitoring equipment, tracking tools, and a 45% commission on all calls carried by the system. The actual contract is between MCI and DOIT, which administers all of the telephone services for state agencies. Approximately 1,100 phones are installed and in use at the various facilities.

In order for an inmate to make a call on the current system, the inmate must enter a Personal Identification Number (PIN). This has proved to be significant since the telephone system has played a major role in stopping drugs from entering prisons, preventing escapes, locating escapees, identifying and tracking gang activity, and preserving the safety of staff and the public. According to the department, maintaining the ability to monitor phone calls and to address the various security issues would be the main priority with any phone system contract.

Finally, the bill requires that any subsequent telephone contracts for correctional telephone services include an option for a debit accounting system whereby funds would be placed in an inmate's account for telephone use. This would allow inmates to avoid costs associated with collect calls. Since DOC already receives funds from families for inmate accounts so that inmates can purchase goods within the facilities, it is anticipated that the administration of such a debit account system could be handled within the department's current budgetary resources.

OLR BILL ANALYSIS

sHB 6789

***AN ACT CONCERNING REVENUES FROM USE OF TELEPHONES
BY PRISON INMATES.***

SUMMARY:

This bill bars the state from receiving any commission or other financial gain from prison inmates' phone use under any contract for telephone service for inmates the state enters into on or after the bill's effective date. It also requires the correction commissioner to:

1. include the cost to inmates and their families as a criterion in his request for proposals for such contracts;
2. give preference to lower costs to inmates and their families in deciding which contract bid to accept;
3. require bidders to include in their proposals an option that allows inmates, instead of calling collect, to pay for station-to-station service using a debit or a similar system under which money may be deposited in inmates' accounts for the purpose; and
4. notify, or arrange to notify, inmates and families of the debit account system.

The bill requires the debit account system to be ready for use in all correction facilities within one year after the bill's effective date.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 40 Nay 7